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EXTRAORDINARY

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PART II—Section 2

प्राधिकार से प्रकाशित

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No. 62]

NHW DELHI, WEDNESDAY, AUGUST 25, 1976/BHADRA 3, 1898

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation

LOK SABHA

The following Bills were introduced in Lok Sabha on 25th August, 1976:—

BILL No. 81 of 1976

A Bill further to amend the Child Marriage Restraint Act, 1929 and to make certain consequential amendments in the Indian Christian Marriage Act, 1872 and the Hindu Marriage Act, 1955.

BE it enacted by Parliament in the Twenty-seventh Year of the Republic of India as follows:—

1. This Act may be called the Child Marriage Restraint (Amendment) Act, 1976.

19 of 1929.

2. In section 2 of the Child Marriage Restraint Act, 1929 (hereinafter referred to as the principal Act), for clause (a), the following clause shall be substituted, namely:—

“(a) “child” means a person who, if a male, has not completed twenty-one years of age, and if a female, has not completed eighteen years of age;”

3. In section 8 of the principal Act,—

(a) for the words and figures “Code of Criminal Procedure, 1898”, the words and figures “Code of Criminal Procedure, 1973” shall be substituted;

5 of 1898,
2 of 1974.

(b) for the words “Presidency Magistrate or a Magistrate of the first class”, the words “Metropolitan Magistrate or a Judicial Magistrate of the first class” shall be substituted,

Short
title.

Amend-
ment of
section 2.

Amend-
ment of
section 8.

Amend-
ment of
section 10.

4. In section 10 of the principal Act, for the words and figures "Code of Criminal Procedure, 1898", the words and figures "Code of Criminal Procedure, 1973" shall be substituted.

5 of 1898.
2 of 1974.

Amend-
ment of
certain
enact-
ments.

5. The enactments specified in the Schedule are hereby amended in the manner mentioned therein.

THE SCHEDULE

(See section 5)

Year	No.	Short title	Amendments.
(1)	(2)	(3)	(4)
1872	15	The Indian Christian Marriage Act, 1872.	<p>In section 60,—</p> <p>(i) in condition number (1), for the words "eighteen years" and "fifteen years", the words "twenty-one years" and "eighteen years" shall respectively be substituted;</p> <p>(ii) the proviso shall be omitted.</p>
1955	25	The Hindu Marriage Act, 1955.	<p>(1) In section 5,—</p> <p>(i) in clause (iii), for the words "eighteen years" and "fifteen years", the words "twenty-one years" and "eighteen years" shall respectively be substituted;</p> <p>(ii) clause (vi) shall be omitted.</p> <p>(2) Section 6 shall be omitted.</p> <p>(3) In section 12, in sub-section (1), in clause (c), for the words and figure "is required under section 5", the words and figures "was required under section 5 as it stood immediately before the commencement of the Child Marriage Restraint (Amendment) Act, 1976" shall be substituted.</p> <p>(4) In section 18,—</p> <p>(i) for the brackets, letters and word "; (v) and (vi)", the word, brackets and letter "and (v)" shall be substituted ;</p> <p>(ii) in clause (b), the word "and" occurring at the end shall be omitted ;</p> <p>(iii) clause (c) shall be omitted.</p>

STATEMENT OF OBJECTS AND REASONS

The Child Marriage Restraint Act, 1929, was enacted with a view to prevent child marriages, namely, a marriage to which either of the contracting parties is under a specified age. Originally, the age limit for a male was eighteen years and for a female fourteen years. The age limit was subsequently raised in the case of females from fourteen to fifteen by the Amending Act 41 of 1949. Violation of the provisions of the Act is made punishable.

2. The question of increasing the minimum age of marriage for males and females has been considered in the present context when there is an urgent need to check the growth of population in the country. Such increase of the minimum age of marriage will result in lowering the total fertility rate on account of lesser span of married life. It will also result in more responsible parenthood and in better health of the mother and child. It may be mentioned that the Committee on Status of Women have in their Report observed that the policy of law which permits the marriage of a girl before she is physically and mentally mature is open to serious question, and, therefore, increasing the marriage age of girls to 18 years is desirable.

3. The Bill seeks to amend the Child Marriage Restraint Act, 1929, to increase the minimum age of marriage from fifteen to eighteen for females and from eighteen to twenty-one for males and to make consequential amendments in the Hindu Marriage Act, 1955, and the Indian Christian Marriage Act, 1872.

NEW DELHI,
The 12th August, 1976.

H. R. GOKHALE.

BILL NO. 83 OF 1976

A Bill further to amend the Coal Mines Provident Fund, Family Pension and Bonus Schemes Act, 1948, the Employees' Provident Funds and Family Pension Fund Act, 1952, the Wealth-tax Act, 1957 and the Income-tax Act, 1961.

BE it enacted by Parliament in the Twenty-seventh Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title
and com-
mence-
ment.

1. (1) This Act may be called the Labour Provident Fund Laws (Amendment) Act, 1976.

(2) The provisions of sections 30 and 31 shall come into force at once and the remaining provisions of this Act shall be deemed to have come into force on the 1st day of August, 1976.

CHAPTER II

AMENDMENT OF THE COAL MINES PROVIDENT FUND, FAMILY PENSION
AND BONUS SCHEMES ACT, 1948

Amend-
ment of
long title.

2. In the long title to the Coal Mines Provident Fund, Family Pension and Bonus Schemes Act, 1948 (hereinafter referred to as the Coal Mines Provident Fund Act), after the words "Family Pension Scheme", the words ", a Deposit-linked Insurance Scheme" shall be inserted.

46 of 1948.

3. For sub-section (1) of section 1 of the Coal Mines Provident Fund Act, the following sub-section shall be substituted, namely:—

Amend-
ment of
section 1.

“(1) This Act may be called the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948.”.

4. In section 2 of the Coal Mines Provident Fund Act,—

Amend-
ment of
section 2.

(i) in clause (c), the words “or the contribution payable in respect of an employee to whom the Insurance Scheme applies” shall be inserted at the end;

(ii) after clause (f), the following clauses shall be inserted, namely:—

“(fa) “Insurance Fund” means the Deposit-linked Insurance Fund established under sub-section (2) of section 3G;

(fb) “Insurance Scheme” means the Coal Mines Deposit-linked Insurance Scheme framed under sub-section (1) of section 3G;”;

(iii) clause (ff) shall be re-lettered as clause (fc).

5. In section 3A of the Coal Mines Provident Fund Act,—

Amend-
ment of
section
3A.

(a) in sub-section (3), after the word, figure and letter “section 3E”, the words, figure and letter “and section 3G” shall be inserted;

(b) in sub-section (4), for the words “and the Coal Mines Family Pension Scheme”, the words “, the Coal Mines Family Pension Scheme and the Insurance Scheme” shall be substituted.

6. In sub-section (3) of section 3C of the Coal Mines Provident Fund Act, for the words “and the Coal Mines Family Pension Scheme”, the words “, the Coal Mines Family Pension Scheme and the Insurance Scheme” shall be substituted.

Amend-
ment of
section
3C.

7. After section 3F of the Coal Mines Provident Fund Act, the following section shall be inserted, namely:—

Insertion
of new
section
3G.

“3G. (1) The Central Government may, by notification in the Official Gazette, frame a scheme to be called the Coal Mines Deposit-linked Insurance Scheme for the purpose of providing life insurance benefits to such employees as are covered by the Coal Mines Provident Fund Scheme.

Coal
Mines
Deposit-
linked
Insurance
Scheme.

(2) There shall be established, as soon as may be after the framing of the Insurance Scheme, a Deposit-linked Insurance Fund into which shall be paid by the employer from time to time in respect of every such employee, in relation to whom he is the employer, such amount, not being more than one per cent. of the aggregate of the basic wages, dearness allowance and retaining allowance (if any) for the time being payable in relation to such employee, as the Central Government may, by notification in the Official Gazette, specify:

Explanation.—For the purposes of this sub-section,—

(a) the expression “basic wages” has the meaning assigned to it in the Employees’ Provident Funds and Miscellaneous provisions Act, 1952;

19 of 1952.

(b) “dearness allowances” means all cash payments, by whatever name called, paid to an employee on account of a rise in the cost of living and shall be deemed to include also the cash value of any food concession allowed to the employee;

(c) “retaining allowance” means an allowance payable for the time being to an employee of any coal mine during any period in which the coal mine is not working, for retaining his services.

(3) The Central Government shall, after due appropriation made by Parliament by law, contribute to the Insurance Fund in relation to each employee covered by the Coal Mines Provident Fund Scheme, an amount representing one-half of the contribution which an employer is required, by sub-section (2), to make.

(4) (a) The employer shall pay into the Insurance Fund such further sums of money, not exceeding one-fourth of the contribution which he is required to make under sub-section (2), as the Central Government may, from time to time, determine, to meet all the expenses in connection with the administration of the Insurance Scheme other than the expenses towards the cost of any benefits provided by or under that scheme.

(b) The Central Government shall, after due appropriation made by Parliament by law, pay into the Insurance Fund such further sums of money representing one-half of the sums payable by the employer under clause (a), to meet all the expenses in connection with the administration of the Insurance Scheme other than the expenses towards the cost of any benefits provided by or under that scheme.

(5) The Insurance Fund shall vest in the Board and shall be administered by the Board in such manner as may be specified in the Insurance Scheme.

(6) Any scheme framed under the provisions of sub-section (1) may provide for all or any of the matters specified in the Third Schedule.’.

Amend-
ment of
section 5

8. In sub-section (2) of section 5 of the Coal Mines Provident Fund Act, for the words “Third Schedule”, the words “Fourth Schedule” shall be substituted.

Amend-
ment of
section 7.

9. In section 7 of the Coal Mines Provident Fund Act, after the words “amend or vary”, the words “either prospectively or retrospectively” shall be inserted.

Amend-
ment of
section
7A.

10. In section 7A of the Coal Mines Provident Fund Act, for the words “two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following”, the words “two or more successive sessions, and if, before the expiry of the session

immediately following the session or the successive sessions aforesaid" shall be substituted.

11. In sub-section (3) of section 8 of the Coal Mines Provident Fund Act, after the words "Coal Mines Family Pension Scheme", the words "and also in relation to any amount payable under the Insurance Scheme" shall be inserted.

Amend-
ment of
section 8.

12. In sub-section (1) of section 10 of the Coal Mines Provident Fund Act, after the words "Coal Mines Provident Fund Scheme", the words "or the Insurance Scheme" shall be inserted.

Amend-
ment of
section
10.

13. In sub-section (1) of section 10E of the Coal Mines Provident Fund Act, for the words and brackets "The amount of contribution (that is to say the employer's contribution as well as the employee's contribution)", the words and brackets "The amount of contribution (that is to say the employer's contribution as well as the employee's contribution in pursuance of the Coal Mines Provident Fund Scheme and the employer's contribution in pursuance of the Insurance Scheme)" shall be substituted.

Amend-
ment of
section
10E.

14. After section 11B of the Coal Mines Provident Fund Act, the following sections shall be inserted, namely:—

Insertion
of new
sections
11C and
11D.

11C. (1) The Central Government may, if requested so to do by the employer, by notification in the Official Gazette, and subject to such conditions as may be specified in the notification, exempt any coal mine from the operation of all or any of the provisions of the Insurance Scheme, if it is satisfied that the employees of such coal mine are, without making any separate contribution or payment of premium, in enjoyment of benefits in the nature of life insurance, whether linked to their deposits in provident fund or not, and such benefits are more favourable to such employees than the benefits admissible under the Insurance Scheme.

Power to
exempt.

(2) Without prejudice to the provisions of sub-section (1), the Insurance Scheme may provide for the exemption of any person or class of persons employed in any coal mine and covered by that scheme from the operation of all or any of the provisions thereof, if the benefits in the nature of life insurance admissible to such person or class of persons are more favourable than the benefits provided under the Insurance Scheme.

(3) Where, in respect of any person or class of persons employed in any coal mine, an exemption is granted under this section from the operation of all or any of the provisions of the Insurance Scheme (whether such exemption is granted to the coal mine wherein such person or class of persons is employed or to the person or class of persons as such), the employer in relation to such coal mine—

(a) shall, in relation to the benefits in the nature of life assurance, to which any such person or class of persons is entitled, or any insurance fund, maintain such accounts, submit

such returns, make such investment, provide for such facilities for inspection and pay such inspection charges, as the Central Government may direct;

(b) shall not, at any time after the exemption, without the leave of the Central Government, reduce the total quantum of benefits in the nature of life insurance to which any such person or class of persons was entitled immediately before the date of the exemption; and

(c) shall, where any such person leaves his employment and obtains re-employment in any other coal mine, transfer within such time as may be specified in this behalf by the Central Government, the amount of accumulations to the credit of that person in the insurance fund of the coal mine left by him to the credit of that person's account in the insurance fund of the coal mine in which he is re-employed or, as the case may be, in the Deposit-linked Insurance Fund.

Exp'ation.—For the purposes of this sub-section "insurance fund" means any fund established by an employer under any scheme for providing benefits in the nature of life insurance to employees, whether linked to their deposits in provident fund or not, without payment by the employees of any separate contribution or premium in that behalf.

(4) Any exemption granted under this section may be cancelled by the authority which granted it, by order in writing, if an employer fails to comply—

(a) in the case of an exemption granted under sub-section (1), with any of the conditions imposed under that sub-section or with any of the provisions of sub-section (3);

(b) in the case of an exemption granted under sub-section (2), with any of the provisions of sub-section (3).

(5) Where any exemption granted under sub-section (1) or sub-section (2) is cancelled, the amount of accumulations to the credit of every employee to whom such exemption applied, in the insurance fund of the coal mine in which he is employed shall be transferred within such time and in such manner as may be specified in the Insurance Scheme to the credit of his account in the Insurance Fund.

11D. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in the Life Insurance Corporation Act, 1956.

15. The Third Schedule to the Coal Mines Provident Fund Act shall be re-numbered as the Fourth Schedule and before the Fourth Schedule as so re-numbered, the following Schedule shall be inserted, namely:—

Insertion
of new
Third
Schedule.

"THE THIRD SCHEDULE"

(See section 3G)

MATTERS TO BE PROVIDED FOR IN THE COAL MINES DEPOSIT-LINKED INSURANCE SCHEME

1. The employees or class of employees who shall be covered by the Insurance Scheme.

2. The manner in which the accounts of the Insurance Fund shall be kept and the investment of moneys belonging to the Insurance Fund, subject to such pattern of investment as may be determined, by order, by the Central Government.

3. The form in which an employee shall furnish particulars about himself and the members of his family whenever required.

4. The nomination of a person to receive the insurance amount due to the employee after his death and the cancellation or variation of such nomination.

5. The registers and records to be maintained in respect of employees; the form or design of any identity card, token or disc for the purpose of identifying any employee or his nominee or member of his family entitled to receive the insurance amount.

6. The scales of insurance amount which shall not be less than the average balance in the account of the employee concerned in the Fund during a period of three years immediately preceding his death or more than rupees ten thousand.

7. The minimum average balance to be maintained by an employee in the Fund to make him eligible for the benefits under the scheme.

8. The manner in which the amount due to the nominee or the member of the family of the employee under the scheme is to be paid including a provision that the amount shall not be paid otherwise than in the form of a deposit in a savings bank account, in the name of such nominee or member of family, in any corresponding new bank specified in the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.

6 of 1970.

9. Any other matter which is to be provided for in the Insurance Scheme or which may be necessary or proper for the purpose of implementing that scheme."

CHAPTER III

AMENDMENT OF THE EMPLOYEES' PROVIDENT FUNDS AND FAMILY PENSION FUND ACT, 1952

16. In the long title to the Employees' Provident Funds and Family Pension Fund Act, 1952 (hereinafter referred to as the Employees' Provident Funds Act), for the words "and family pension fund", the words " , family pension fund and deposit-linked insurance fund" shall be substituted.

Amend-
ment of
long
title.

19 of 1952.

Amend-
ment of
section 1.

17. For sub-section (1) of section 1 of the Employees' Provident Funds Act, the following sub-section shall be substituted, namely:—

“(1) This Act may be called the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.”.

Amend-
ment of
section 2.

18. In section 2 of the Employees' Provident Funds Act,—

(a) in clause (c), the words “or the contribution payable in respect of an employee to whom the Insurance Scheme applies” shall be inserted at the end;

(b) in clause (ff), after the words “a Scheme”, the words “or the Insurance Scheme, as the case may be,” shall be inserted;

(c) in clause (fff), after the words “any Scheme”, the words “or the Insurance Scheme, as the case may be” shall be inserted;

(d) clause (ia) shall be re-lettered as clause (ic) and before clause (ic) as so re-lettered, the following clauses shall be inserted, namely:—

“(ia) “Insurance Fund” means the Deposit-linked Insurance Fund established under sub-section (2) of section 6C;

(ib) “Insurance Scheme” means the Employees' Deposit-linked Insurance Scheme framed under sub-section (1) of section 6C;”.

Amend-
ment of
section
5A.

19. In section 5A of the Employees' Provident Funds Act,—

(a) in sub-section (3), after the word, figure and letter “section 6A”, the words, figure and letter “and section 6C” shall be inserted;

(b) in sub-section (4), for the words “and the Family Pension Scheme”, the words “, the Family Pension Scheme and the Insurance Scheme” shall be substituted.

Amend-
ment of
sections
5D and
5E.

20. In sub-section (3) of section 5D, and section 5E, of the Employees' Provident Funds Act, for the words “and the Family Pension Scheme”, the words “, the Family Pension Scheme and the Insurance Scheme” shall be substituted.

Insertion
of new
section
6C.

21. After section 6B of the Employees' Provident Funds Act, the following section shall be inserted, namely:—

Employ-
ees' De-
posit-
linked
Insurance
Scheme.

“6C. (1) The Central Government may, by notification in the Official Gazette, frame a scheme to be called the Employees' Deposit-linked Insurance Scheme for the purpose of providing life insurance benefits to the employees of any establishment or class of establishments to which this Act applies.

(2) There shall be established, as soon as may be after the framing of the Insurance Scheme, a Deposit-linked Insurance Fund into which shall be paid by the employer from time to time in respect of every such employee in relation to whom he is the employer, such amount, not being more than one per cent of the aggregate of the basic wages, dearness allowance and retaining allowance (if any) for the time being payable in relation to such employee as

the Central Government may, by notification in the Official Gazette, specify.

Explanation.—For the purposes of this sub-section, the expressions “dearness allowance” and “retaining allowance” have the same meanings as in section 6.

(3) The Central Government shall, after due appropriation made by Parliament by law, contribute to the Insurance Fund in relation to each employee, of any establishment or class of establishments to which this Act applies, an amount representing one-half of the contribution which an employer is required, by sub-section (2), to make.

(4) (a) The employer shall pay into the Insurance Fund such further sums of money, not exceeding one-fourth of the contribution which he is required to make under sub-section (2), as the Central Government may, from time to time, determine to meet all the expenses in connection with the administration of the Insurance Scheme other than the expenses towards the cost of any benefits provided by or under that scheme.

(b) The Central Government shall, after due appropriation made by Parliament by law, pay into the Insurance Fund such further sums of money representing one-half of the sums payable by the employer under clause (a) to meet all the expenses in connection with the administration of the Insurance Scheme other than the expenses towards the cost of any benefits provided by or under that scheme.

(5) The Insurance Fund shall vest in the Central Board and be administered by it in such manner as may be specified in the Insurance Scheme.

(6) The Insurance Scheme may provide for all or any of the matters specified in Schedule IV.

(7) The Insurance Scheme may provide that any of its provisions shall take effect either prospectively or retrospectively on such date as may be specified in this behalf in that Scheme.’

22. In sub-section (1) of section 7 of the Employees’ Provident Funds Act, for the words “amend or vary the Scheme or the Family Pension Scheme, as the case may be”, the words “amend or vary, either prospectively or retrospectively, the Scheme, the Family Pension Scheme or the Insurance Scheme, as the case may be” shall be substituted.

Amend-
ment of
section 7.

23. In sub-section (1) of section 7A of the Employees’ Provident Funds Act, after the words “Family Pension Scheme”, the words “or the Insurance Scheme” shall be inserted.

Amend-
ment of
section
7A.

24. In clause (a) of section 8 of the Employees’ Provident Funds Act,—

Amend-
ment of
section 8.

(a) for the word “Scheme”, wherever it occurs, the words “Scheme or the Insurance Scheme” shall be substituted;

(b) for the words “the Fund”, the words “the Fund or, as the case may be, the Insurance Fund” shall be substituted.

Amend-
ment of
section
8A.

25. In section 8A of the Employees' Provident Funds Act,—

(a) in sub-section (1), for the words and brackets "The amount of contribution (that is to say the employer's contribution as well as the employee's contribution)", the words and brackets "The amount of contribution (that is to say the employer's contribution as well as the employee's contribution in pursuance of any Scheme and the employer's contribution in pursuance of the Insurance Scheme)" shall be substituted;

(b) in sub-section (2), after the words "employee's contribution", the words "under any Scheme" shall be inserted.

Amend-
ment of
section 10.

26. In sub-section (3) of section 10 of the Employees' Provident Funds Act, after the words "Family Pension Scheme", the words "and also in relation to any amount payable under the Insurance Scheme" shall be inserted.

Amend-
ment of
section 11.

27. In sub-section (1) of section 11 of the Employees' Provident Funds Act,—

(a) in clause (a),—

(i) for the word "Scheme", in both the places where it occurs, the words "Scheme or the Insurance Scheme" shall be substituted;

(ii) after the words "the Fund", the words "or, as the case may be, the Insurance Fund" shall be inserted;

(b) in clause (b), for the words "the provident fund", in both the places where they occur, the words "the provident fund or any insurance fund" shall be substituted;

(c) the following *Explanation* shall be inserted at the end, namely:—

'Explanation.—In this sub-section and in section 17. "Insurance fund" means any fund established by an employer under any scheme for providing benefits in the nature of life insurance to employees, whether linked to their deposits in provident fund or not, without payment by the employees of any separate contribution or premium in that behalf.'

Amend-
ment of
section 12.

28. In section 12 of the Employees' Provident Funds Act,—

(a) for the word "Scheme", wherever it occurs, the words "Scheme or the Insurance Scheme" shall be substituted;

(b) for the words "the Fund", the words "the Fund or the Insurance Fund" shall be substituted;

(c) for the words "or provident fund", the words " , provident fund or life insurance" shall be substituted.

Amend-
ment of
section 13.

29. In section 13 of the Employees' Provident Funds Act,—

(a) in sub-section (1), for the words "or the Family Pension Scheme", the words " , the Family Pension Scheme or the Insurance Scheme" shall be substituted;

(b) in sub-section (2), for the word "Scheme", wherever it occurs, the words "Scheme or the Insurance Scheme" shall be substituted.

30. In section 14 of the Employees' Provident Funds Act,—

(a) for the words “or the Family Pension Scheme”, wherever they occur, the words “, the Family Pension Scheme or the Insurance Scheme” shall be substituted;

(b) after sub-section (1A), the following sub-section shall be inserted, namely:—

“(1B) An employer who contravenes, or makes default in complying with, the provisions of section 6C, or clause (a) of sub-section (3A) of section 17 in so far as it relates to the payment of inspection charges, shall be punishable with imprisonment for a term which may extend to six months but which shall not be less than one month and shall also be liable to fine which may extend to two thousand rupees:

Provided that the court may, for any adequate and special reasons to be recorded in the judgment, impose a sentence of imprisonment for a lesser term or of fine only in lieu of imprisonment.”.

31. In section 14A, section 14AA, section 14AC and section 17B of the Employees' Provident Funds Act, for the words “the Family Pension Scheme”, wherever they occur, the words “the Family Pension Scheme or the Insurance Scheme” shall be substituted.

Amend-
ment of
section 14.

Amend-
ment of
sections
14A,
14AA,
14AC
and 17B.

32. In section 14B of the Employees' Provident Funds Act,—

(a) for the words “or the Family Pension Fund”, the words “, the Family Pension Fund or the Insurance Fund” shall be substituted;

(b) for the words “any Scheme”, the words “any Scheme or Insurance Scheme” shall be substituted.

Amend-
ment of
section
14B.

33. In sub-section (1) of section 14C of the Employees' Provident Funds Act, for the words “or the Family Pension Fund”, the words “, the Family Pension Fund or the Insurance Fund” shall be substituted.

Amend-
ment of
section
14C.

34. In section 17 of the Employees' Provident Funds Act,—

(a) after sub-section (2), the following sub-sections shall be inserted, namely:—

“(2A) The Central Government may, if requested so to do by the employer, by notification in the Official Gazette, and subject to such conditions as may be specified in the notification, exempt any establishment from the operation of all or any of the provisions of the Insurance Scheme, if it is satisfied that the employees of such establishment are, without making any separate contribution or payment of premium, in enjoyment of benefits in the nature of life insurance, whether linked to their deposits in provident fund or not, and such benefits are more favourable to such employees than the benefits admissible under the Insurance Scheme.

(2B) Without prejudice to the provisions of sub-section (2A), the Insurance Scheme may provide for the exemption of any person or class of persons employed in any establishment and

Amend-
ment of
section 17.

covered by that scheme from the operation of all or any of the provisions thereof, if the benefits in the nature of life insurance admissible to such person or class of persons are more favourable than the benefits provided under the Insurance Scheme.”;

(b) after sub-section (3), the following sub-section shall be inserted, namely:—

“(3A) Where, in respect of any person or class of persons employed in any establishment, an exemption is granted under sub-section (2A) or sub-section (2B) from the operation of all or any of the provisions of the Insurance Scheme (whether such exemption is granted to the establishment wherein such person or class of persons is employed or to the person or class of persons as such), the employer in relation to such establishment—

(a) shall, in relation to the benefits in the nature of life insurance, to which any such person or class of persons is entitled, or any insurance fund, maintain such accounts, submit such returns, make such investments, provide for such facilities for inspection and pay such inspection charges, as the Central Government may direct;

(b) shall not, at any time after the exemption without the leave of the Central Government, reduce the total quantum of benefits in the nature of life insurance to which any such person or class of persons was entitled immediately before the date of the exemption; and

(c) shall, where any such person leaves his employment and obtains re-employment in any other establishment to which this Act applies, transfer within such time as may be specified in this behalf by the Central Government, the amount of accumulations to the credit of that person in the insurance fund of the establishment left by him to the credit of that person's account in the insurance fund of the establishment in which he is re-employed or, as the case may be, in the Deposit-linked Insurance Fund.”;

(c) in sub-section (4), after clause (b), the following clauses shall be inserted, namely:—

“(c) in the case of an exemption granted under sub-section (2A), with any of the conditions imposed under that sub-section or with any of the provisions of sub-section (3A);

(d) in the case of an exemption granted under sub-section (2B), with any of the provisions of sub-section (3A).”;

(d) in sub-section (5),—

(i) for the words, brackets and figure “or sub-section (2)”, the words, brackets, figures and letters “, sub-section (2), sub-section (2A) or sub-section (2B)” shall be substituted;

(iii) after the words “Family Pension Scheme”, the words “, the family pension fund or the insurance fund” shall be substituted;

(iii) after the words “Family Pension Scheme”, the words “or the Insurance Scheme” shall be inserted;

(iv) after the words "Family Pension Fund", the words "or the Insurance Fund" shall be inserted.

Insertion
of new
section
17AA.

35. After section 17A of the Employees' Provident Funds Act, the following section shall be inserted, namely:—

Act to
have
effect
notwith-
standing
anything
contained
in Act
31 of 1956.

"17AA. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in the Life Insurance Corporation Act, 1956."

Amend-
ment of
section 18.

36. In section 18 of the Employees' Provident Funds Act, the words "or the Insurance Scheme" shall be inserted at the end.

Amend-
ment of
section 19.

37. In section 19 of the Employees' Provident Funds Act, in the opening paragraph, for the words "or the Family Pension Scheme", the words "the Family Pension Scheme or the Insurance Scheme" shall be substituted.

Insertion
of new
Schedule
IV.

38. After Schedule III to the Employees' Provident Funds Act, the following Schedule shall be inserted, namely:—

"SCHEDULE IV

(See section 6C)

MATTERS TO BE PROVIDED FOR IN THE EMPLOYEES' DEPOSIT-LINKED INSURANCE SCHEME

1. The employees or class of employees who shall be covered by the Insurance Scheme.

2. The manner in which the accounts of the Insurance Fund shall be kept and the investment of moneys belonging to the Insurance Fund subject to such pattern of investment as may be determined, by order, by the Central Government.

3. The form in which an employee shall furnish particulars about himself and the members of his family whenever required.

4. The nomination of a person to receive the insurance amount due to the employee after his death and the cancellation or variation of such nomination.

5. The registers and records to be maintained in respect of employees; the form or design of any identity card, token or disc for the purpose of identifying any employee or his nominee or member of his family entitled to receive the insurance amount.

6. The scales of insurance amount which shall not be less than the average balance in the account of the employee concerned in the Fund or any other provident fund during a period of three years immediately preceding his death or more than rupees ten thousand.

7. The minimum average balance to be maintained by an employee in the Fund or any other provident fund to make him eligible for the benefits under the scheme.

8. The manner in which the amount due to the nominee or the member of the family of the employee under the scheme is to be paid including a provision that the amount shall not be paid otherwise than in the form of a deposit in a savings bank account, in the name of such nominee or member of family, in any corresponding new bank specified in the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.

5 of 1970.

9. Any other matter which is to be provided for in the Employees' Deposit-linked Insurance Scheme or which may be necessary or proper for the purpose of implementing that Scheme."

CHAPTER IV

AMENDMENT OF THE WEALTH-TAX ACT, 1957 AND THE INCOME-TAX ACT, 1961

Amend-
ment of
Act
27 of 1957.

39. In the Wealth-tax Act, 1957, in sub-section (1) of section 5, after clause (xviiib), the following clause shall be inserted, namely:—

"(xviiiba) any property held—

(a) by the Board of Trustees constituted under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948, on behalf of the Deposit-linked Insurance Fund established under section 3G of that Act; or

46 of 1948.

(b) by the Board of Trustees constituted under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, on behalf of the Deposit-linked Insurance Fund established under section 6C of that Act;"

19 of 1952.

Amend-
ment of
Act
43 of 1961.

40. In the Income-tax Act, 1961,—

(a) in section 10, in clause (25), after sub-clause (iv), the following sub-clause shall be inserted, namely:—

"(v) any income received—

(a) by the Board of Trustees constituted under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948, on behalf of the Deposit-linked Insurance Fund established under section 3G of that Act; or

46 of 1948.

(b) by the Board of Trustees constituted under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, on behalf of the Deposit-linked Insurance Fund established under section 6C of that Act;"

19 of 1952.

(b) in section 17, in clause (2), in sub-clause (v), after the words "superannuation fund", the words, figures and letters "or a Deposit-linked Insurance Fund established under section 3G of the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948, or, as the case may be, section 6C of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952" shall be inserted.

46 of 1948.

19 of 1952.

Repeal
and
saving.

41. (1) The Labour Provident Fund Laws (Amendment) Ordinance, 1976, is hereby repealed.

9 of 1976.

(2) Notwithstanding such repeal, anything done or any action taken under the Coal Mines Provident Fund Act, the Employees' Provident Funds Act, the Wealth-tax Act, 1957 and the Income-tax Act, 1961, as amended by the Ordinance so repealed (including any Scheme framed or notification issued), shall be deemed to have been done or taken under the corresponding provisions of the respective Act aforesaid as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

The Labour Provident Fund Laws (Amendment) Ordinance, 1976, was promulgated by the President to introduce a new social security scheme known as the Deposit-linked Insurance Scheme to provide insurance cover to the members of the Coal Mines Provident Fund and the Employees' Provident Fund, without payment of any premium by such members.

2. The insurance cover provided by the scheme is linked to the amount lying in deposit in the provident fund to the credit of the employee concerned. The salient feature of the Deposit-linked Insurance Scheme is that in the event of the death of an employee, his dependants would be entitled to receive an additional payment equivalent to three years' average balance at the credit of the deceased employee in the provident fund account (provided that such balance is not less than one thousand rupees), subject to a maximum of rupees ten thousand. For getting this facility, the employee will not be required to make any contribution to the Insurance Fund. Contribution to that Fund will be made by the employers and the Central Government in the ratio of 2 : 1. A similar scheme is already in operation in respect of Central Government employees from the 8th January, 1975.

3. The Coal Mines Deposit-linked Insurance Scheme will be administered by the Board of Trustees constituted under the Coal Mines Provident Fund, Family Pension and Bonus Schemes Act, 1948 and the Employees' Deposit-linked Insurance Scheme will be administered by the Central Board of Trustees constituted under the Employees' Provident Funds and Family Pension Fund Act, 1952. The cost of administration of the Deposit-linked Insurance Scheme in both the cases will be borne by the employers and the Central Government in the ratio of 2 : 1.

4. Provision has also been made for granting exemption from the provisions of the two Deposit-linked Insurance Schemes in the case of such of the employees of the coal mine or, as the case may be, the establishment as are in enjoyment of more favourable benefits in the nature of life insurance.

5. Consequential amendments are also proposed to be made in the Wealth-tax Act, 1957, and the Income-tax Act, 1961, so that the Board of Trustees are not assessed to tax in respect of any property held, or income received, on behalf of the Deposit-linked Insurance Fund and to prevent employees being assessed under the Income-tax Act, 1961, in respect of the contributions made into the Deposit-linked Insurance Fund in relation to such employees.

6. The Bill seeks to replace the Ordinance with the modification that the Deposit-linked Insurance Scheme would also apply to the employees of establishments which were exempted from the operation of the Employees' Provident Funds Scheme.

NEW DELHI;
The 13th August, 1976.

K. V. RAGHUNATHA REDDY.

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND 274
OF THE CONSTITUTION OF INDIA

[Copy of letter No. S. 35012(2)/76-PF. II, dated the 17th August, 1976 from Shri K. V. Raghunatha Reddy, Minister of Labour to the Secretary-General, Lok Sabha.]

The President of India having been informed of the subject matter of the above mentioned Bill has, in pursuance of clause (1) of article 117 read with clause (1) of article 274 and also clause (3) of article 117 of the Constitution recommended the introduction and consideration of the said Bill by Lok Sabha.

FINANCIAL MEMORANDUM

Clause 7 of the Bill seeks to insert section 3G in the Coal Mines Provident Fund, Family Pension and Bonus Schemes Act, 1948 and clause 21 seeks to insert section 6C in the Employees' Provident Funds and Family Pension Fund Act, 1952. The new section 3G envisages the framing of the Coal Mines Deposit-linked Insurance Scheme for employees covered by the Coal Mines Provident Fund Scheme and the new section 6C envisages the framing of the Employees' Deposit-linked Insurance Scheme for employees of establishments to which the Employees' Provident Funds and Family Pension Fund Act, 1952, applies. The contributions to both these Deposit-linked Insurance Funds are to be made by the employers and the Central Government in the ratio of 2 : 1. The cost of administration of the two Deposit-linked Insurance Schemes will also be paid by the employers and the Central Government in the same ratio.

2. The Coal Mines Provident Fund, Family Pension and Bonus Schemes Act, 1948, is applicable to about 6 lakhs of employees in Coal Mines. The Employees' Provident Funds and Family Pension Fund Act, 1952, is at present applicable to about 78 lakhs employees. Thus, the total number of employees, entitled to Deposit-linked Insurance benefits, would be about 84 lakhs. It is estimated that the mortality would occur at the rate of 4.5 per thousand of the population and as such the mortality figure would be, approximately, 37,800. If the average balance of contribution of a worker is taken to be Rs. 5,000/-, the total expenditure which is likely to be involved under the two Schemes would be of the order of Rs. 18.90 crores per annum which would be shared by the employers and the Central Government in the ratio of 2 : 1 as under:—

(1) Employers' contribution out of the proposed

payment of Rs. 18.90 crores $18.90 \times \frac{2}{3} = \text{Rs. } 12.60 \text{ crores}$

(2) Central Government's contribution $18.90 \times \frac{1}{3} = \text{Rs. } 6.30$
crores.

3. The cost of administration of the two Deposit-linked Insurance Funds which is estimated to be about Rs. 15 lakhs, which is also to be shared by the employers and the Central Government in the ratio of 2 : 1. The Central Government would thus be required to incur an expenditure of the order of Rs. 5 lakhs per annum.

4. No other recurring or non-recurring expenditure would be involved from the Consolidated Fund of India if the Bill is enacted and brought into operation.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 7 of the Bill seeks to insert section 3G in the Coal Mines Provident Fund, Family Pension and Bonus Schemes Act, 1948 to empower the Central Government to frame the Coal Mines Deposit-linked Insurance Scheme for the purpose of providing life insurance benefits to the employees covered by the Coal Mines Provident Fund Scheme. The various matters which are to be provided in the Coal Mines Deposit-linked Insurance Scheme are enumerated in the Third Schedule proposed to be inserted in the Act by clause 15 of the Bill.

2. Clause 14 of the Bill seeks to insert section 11C in the Act aforesaid to empower the Central Government to exempt any coal mine from all or any of the provisions of the Coal Mines Deposit-linked Insurance Scheme in the circumstances specified in that section. It also seeks to provide that the Coal Mines Deposit-linked Insurance Scheme may make provision for exemption of any person or class of persons employed in any coal mine to which that scheme applies from the operation of all or any of the provisions thereof on similar grounds.

3. Clauses 21, 34 and 38 of the Bill seek to make similar provisions in the Employees' Provident Funds and Family Pension Fund Act, 1952.

4. The delegation of legislative powers by the provisions of the Bill relates to matters of detail and it is hardly practicable to provide for them in the Bill itself. The delegation of legislative power is, therefore, of a normal character.

S. L. SHAKDHER,
Secretary-General.